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5 **Q. Please reference Appendix H: Schedule 4 of the Evidence of Laurence D. Booth.**
6 **Dr. Booth calculated a ROE Beta of -0.07 for Emera.**

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8 **a. Is the beta for Emera statistically significant?**
9 **b. Does this limit its value for determining a ROE in this proceeding?**

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12 **A. a)** Not at normal levels since there are only 16 observations. The T statistic is
13 -0.55, which means the ROE beta is insignificantly different from zero at
14 normal significance levels.

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16 **b)** Dr Booth places no reliance on these ROE betas. He would regard them as a
17 reasonableness check at best and perhaps suggestive rather than indicative.
18 To place reliance on them would require data going back at least a couple of
19 business cycles, and unfortunately very few firms are stable that long, that is
20 in the same line of business.
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